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Programme budget for the biennium 2008-2009

Proposed programme budget for the biennium 2010-2011

Revised estimates: effect of changes in rates of exchange and inflation

Twentieth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2010-2011

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the effect of changes in rates of exchange and inflation on the proposed programme budget for the biennium 2010-2011 (A/64/576) and on the proposed budgets of both the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2010-2011 (A/64/570). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information.

Effect of changes in rates of exchange and inflation on the proposed programme budget for the biennium 2010-2011 (A/64/576)

2. The impact of the proposed recosting on the proposed programme budget for 2010-2011 is a decrease of $63,702,800 under the expenditure sections, from $5,207,159,600 (if the recommendations of the Advisory Committee were to be applied) to $5,143,456,800, and a decrease of $6,891,700 under income sections 1 to 3 of the proposed programme budget, from $570,080,900 (if the recommendations of the Committee were to be applied) to $563,189,200. The revised requirements under the expenditure sections of $5,143,456,800 reflect the combined effect of recommendations of the Advisory Committee in documents A/64/7[1] and Add.4, 6 and 8-10, which would result in additional requirements totalling $3,627,600; an increase of $47,214,200 resulting from revised exchange rate

[1] *Official Records of the General Assembly, Sixty-fourth Session, Supplement No. 7* (A/64/7).

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assumptions; and a reduction of $110,917,000 related to revised inflation assumptions.

3. The recosting described in the report of the Secretary-General on the effect of changes in rates of exchange and inflation (A/64/576) is based on the initial budget proposals of the Secretary-General, as well as the relevant addenda and revised estimates,[2] and amended in accordance with the recommendations of the Advisory Committee, using the data available as of December 2009. As noted in paragraph 4 of the report, the indicative inclusion of the effect of applying the recommendations of the Committee is provided without prejudice to decisions yet to be made by the General Assembly on those recommendations. Not included in the recosting estimate is the impact of the recommendations of the Committee on a number of reports of the Secretary-General[3] that were under consideration by the Committee at the time of preparation of the Secretary-General's report.

4. The Secretary-General's report provides details on the methodology used in the recosting of exchange-rate fluctuations and inflation (paras. 8, 9 and 12). As indicated in paragraph 2 of the report, consistent with the views of the Advisory Committee, the recosting exercise reflects such operational rates of exchange as would allow for the lowest estimates.

5. As indicated in paragraph 10 of the report, the estimated decrease in requirements of $110.9 million for inflation reflects lower requirements in respect of Professional salaries ($19.1 million), General Service salaries ($30.9 million), staff assessment ($12.3 million) and non-post objects of expenditure ($48.6 million).

Effect of changes in rates of exchange and inflation on the proposed budgets of both the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2010-2011 (A/64/570)

6. The recosting reflected in the report of the Secretary-General on the effect of changes in rates of exchange and inflation on the proposed budgets of both the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2010-2011 (A/64/570) reflects the impact of the latest data on actual inflation, the outcome of salary surveys, the annual cost-of-living adjustments, the movement of post adjustment indices in 2009 and the effect of the evolution of operational rates of exchange in 2009.

7. After recosting, the resource requirements for the two Tribunals for the biennium 2010-2011, as proposed by the Secretary-General and taking into account the recommendations of the Advisory Committee, would amount to $244,615,400

[2] Budget documents issued in fascicle form by section (A/64/6), as well as budget proposals in documents A/64/366, A/64/380, A/64/472, A/64/477, A/64/532, A/C.5/64/2, A/C.5/64/11, A/C.5/64/12 and A/C.5/64/13.

[3] Not included for consideration in the Secretary-General's report is the impact of the Committee's recommendations on: the addendum to sect. 34, Safety and security, of the proposed programme budget for the biennium 2010-2011 (A/64/6 (Sect. 34)/Add.1); revised estimates related to a strengthened and unified security management system for the United Nations (A/64/532); and statements of programme budget implications of draft resolutions (A/C.5/64/11, A/C.5/64/12 and A/C.5/64/13).

gross for the International Criminal Tribunal for Rwanda (an increase of $5,186,500) and $290,923,100 gross for the International Tribunal for the Former Yugoslavia (an increase of $16,783,000).

8. In the case of the International Criminal Tribunal for Rwanda, the estimated increase of $5,186,500 reflects the combined effect of a reduction of $995,400 due to revised exchange-rate assumptions and an increase of $6,181,900 for recosted inflation. For the International Tribunal for the Former Yugoslavia, the total increase of $16,783,000 reflects the combined effect of additional requirements of $18,181,500 due to revised exchange-rate assumptions and a reduction of $1,398,500 for recosted inflation.

9. As indicated in paragraph 2 of the report, consistent with the views of the Advisory Committee, the recosting exercise reflects such operational rates of exchange as would allow for the lowest estimates.

Conclusion

10. **The Advisory Committee finds no technical basis for objecting to the revised estimates of the Secretary-General arising from the recosting of the effect of changes in rates of exchange and inflation as reflected in his reports (A/64/576 and A/64/570) and, accordingly, transmits them to the General Assembly for consideration.**